

Essilor in 2002

*Our discipline... The long distance race.
Neither sudden sprint...
Nor sudden braking.
Our growth is not the fastest...
But we're plowing wide and deep.*

30% of Essilor sales are generated by products less than three years old

Organic growth

+7%

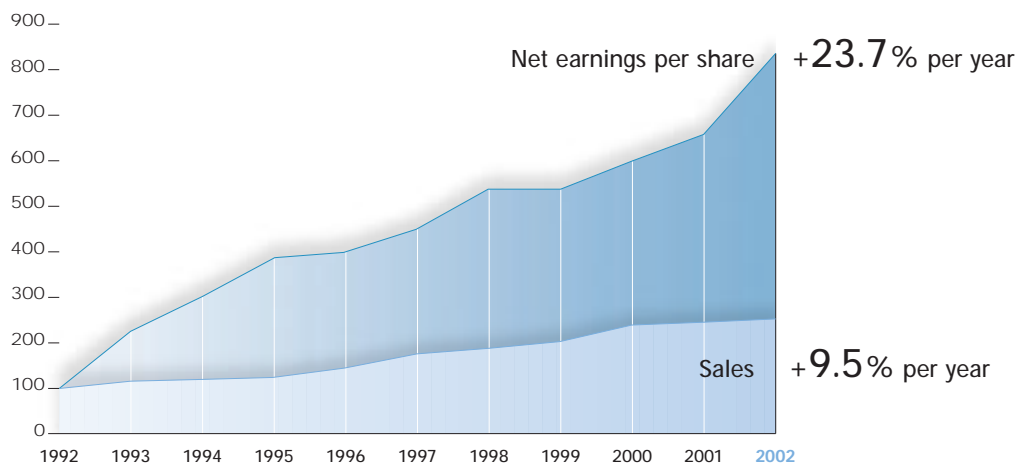
New products

22

Net earnings per share

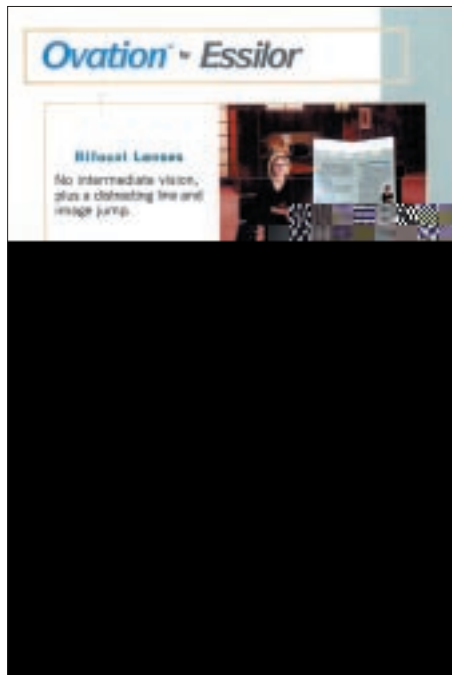
+27.3% ¹

1992-2002: 10 years of growth



New Variable Tinted Lenses

2002 in review



2002-2003 highlights

Canada

- Acquisition of Aries Optical Ltd., a prescription laboratory in New Brunswick.

France

- Acquisition of a 51% stake in Jacques Denis, a firm specializing in the mounting of polycarbonate lenses into frames.
- New advertising campaign for Varilux®: "Varilux keeps progressing. You will too."

Germany

- **2003:** acquisition of Rupp und Hubrach, the fifth-largest lens supplier in the German market, by Essilor subsidiary BBGR. Rupp und Hubrach has been distributing BBGR lenses for many years.



Varilux® Panamic®
new advertising
campaign



Varilux Panamic.
Immediately
comfortable
progressive lenses



Varilux Panamic
progressive lenses.
Perfect vision close-up
and far away

Mexico

- Establishment of Essilor Mexico subsidiary after acquisition of Vision Center prescription laboratory in 2000.

Philippines

- Extension from Japan to the Philippines of production of high index 1.67 lenses. After a start-up in 2001, the production build-up continued in 2002 with an improvement in performances and processes.

Poland

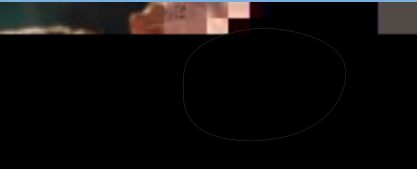
- Opening of the country's first Essilor prescription laboratory.

South Korea

- Formation of Essilor Korea Ltd., a joint venture between Essilor and South Korea's Samyung Trading Co. Ltd., the country's number two ophthalmic optics company. South Korea is Asia's second-largest market by value after Japan, thanks to a rich product mix characterized by strong penetration of medium/high index materials and anti-reflective lenses. Sales of progressive lenses have been rising sharply.

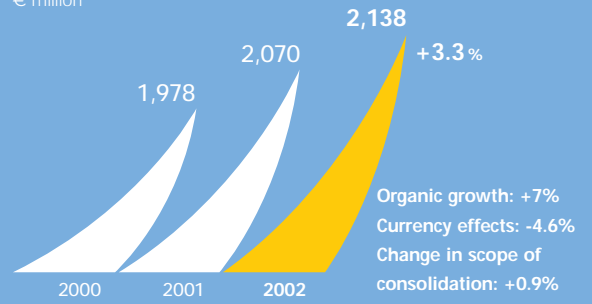
United States

- Acquisition of Chicago-based Stereo Optical, specializing in vision-testing equipment for eye care, occupational medicine, and public health professionals. Stereo Optical was incorporated into Essilor Instruments, whose European testing-equipment business is a perfect complement to Stereo Optical's business in North America.
- Acquisition of three prescription laboratories in Phoenix and Tucson, Arizona, and Denver, Colorado, long-standing distributors of the Varilux® and Crizal® brands.
- Start-up of VisionWeb, the Internet platform where Essilor is a founding partner after a two-year test. More than 3,000 eye care professionals have already signed up.
- **2003:** acquisition of Specialty Lens Corp (SLC) in Salt Lake City, Utah. SLC designs and produces polarized prescription solar lenses that eliminate dazzle and glare on flat surfaces such as water and snow. This market segment is enjoying fast growth worldwide.

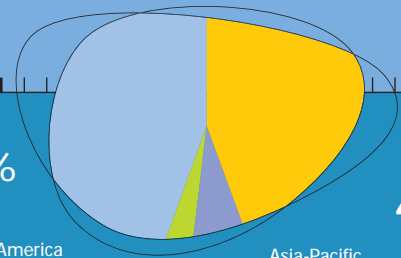


Sales

€ million



New product launches and the development of high index, polycarbonate, anti-reflective, and progressive lenses have been crucial factors in sales growth. These developments have enhanced the value of the product mix as well.



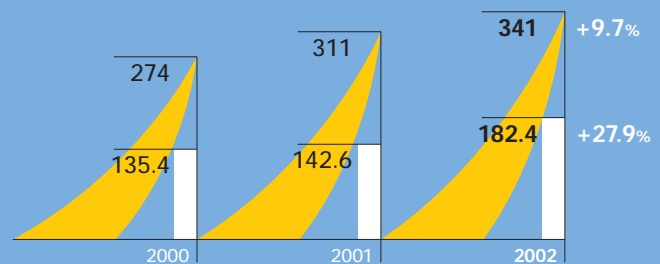
2002 sales by market

Key figures

Essilor's excellent results in 2002 demonstrate, once again, the validity of our strategy, which is enhancing our position in ophthalmic optics around the world. Essilor has increased market share thanks to its focus on high-tech lenses and the breadth of its product lineup.

Operating income and net income

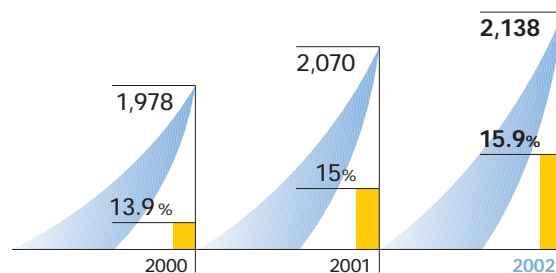
€ million



■ Operating income
■ Net income after minority interests

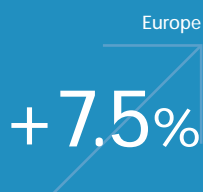


Operating margin



In 2002, Essilor's operating margin hit a record high of 15.9%, exceeding the initial target. This new increase is due to the enhanced value of the product mix, further company-wide productivity gains, and improved profitability in individual regions.

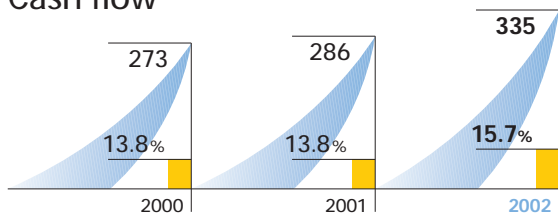
Illustration from the advertising campaign for the launch of Varilux® Crizal® in Brazil



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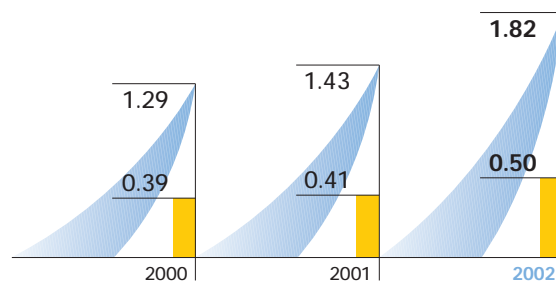
2002 sales growth by market (like-for-like)

Cash flow



Net earnings per share and net dividend per share

in €



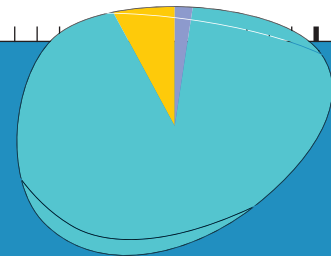
Net debt € million



Essilor shareholders

Most of Essilor' stock is owned by the public. However, the company also has a strong tradition of employee shareholding, which dates from its foundation. Employees are the single largest shareholder group in terms of the number of shares and number of votes (14%), as double voting rights are attributed to all fully paid-up shares registered in the name of the same holder for at least two years.

Our end of January 2003 survey on bearer shares found that non-French-resident institutional investors account for 54.7% of total public shareholders – a sign of the strong internationalization of Essilor share ownership. French institutional investors own 23% of Essilor shares, and individual investors 13%.



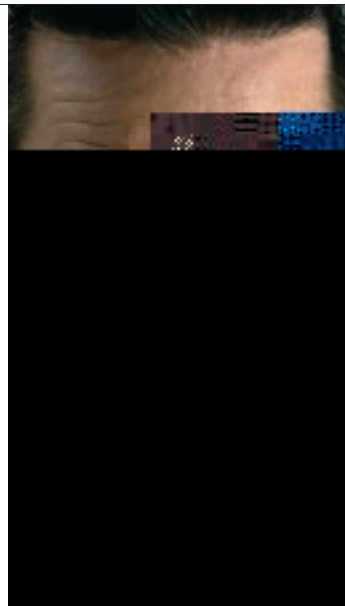
Share ownership at December 31, 2002

Shareholder information

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In €	2000	2001	2002
High	34.78	35.80	45.57
Low	23.00	25.00	31.20
Close (December 31)	34.75	33.95	39.25
Number of shares outstanding (December 31)	106,113,620	101,075,891	102,683,613
Market capitalization (million)*	3,667	3,417	3,975*
Dividend per share	0.39	0.41	0.50
Total remuneration per share (dividend + French tax credit)	0.58	0.61	0.75
Dividend/Net earnings (December 31)	1.67	1.79	1.91

* In 2002, on the basis of market capitalization, Essilor ranked 45th in the SBF 120 index and 72nd in the Euronext 100 index.



Crizal® advertising campaign - U.S.

Share data

Par value: €0.35
 Market listing: Euronext in Paris
 Euroclear code: 12166
 ISIN code: FR 0000121667
 Reuters code: ESSI.PA
 Bloomberg code: EF FP

Employee shareholding at Essilor: a founding principle

Employee shareholding is channeled through Valoptec, an association set up in 1972, when Essilor was formed from the merger between Essel and Silor. At the time, Valoptec consolidated the shareholdings of all the managers in the new firm and owned 50% of its capital. Further moves to expand employee shareholdings came in 1979 with the



In China, Shanghai bus advertising for Stylis®

Essilor share, three-year performance

Between January 2000 and December 2002, Essilor shares gained 27% whereas the Paris Stock Exchange fell nearly 50%. In 2002 in particular, Essilor was one of the few listed shares to resist the highly adverse market conditions, thanks to its defensive-stock status. The share price rose almost 16%, in contrast to the 32% loss of the SBF index.